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HD1761
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p. 2

World Production and Trade

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United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

Weekly
Roundup

WR 43-85

Oct. 23, 1985

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

OILSEEDS AND PRODUCTS

The damaged lock on the St. Lawrence Seaway may have an adverse effect on U.S. sunflowerseed exports. The sunflower crop in North Dakota, South Dakota and Minnesota is about two weeks away from large scale harvesting and delivery to traditional ports in the Great Lakes. Elevators at Duluth, the major port, are reportedly full and unwilling to accept further shipments. From September 1983 through August 1984, 56 percent of total U.S. sunflowerseed exports, or about 489,043 tons, was shipped from Great Lakes ports. The following year 801,952 tons or 82 percent of sunflowerseed exports were shipped out of Great Lakes ports. How much U.S. exports are affected by the damaged lock this season will depend on how long the repairs take and whether the Seaway Authority keeps the Seaway open two or three weeks past the normal closing date in December.

DAIRY, LIVESTOCK AND POULTRY

PERUVIAN sales of frozen chicken to the USSR, currently made to repay Peruvian debts, may move to a commercial basis in 1986/87. Negotiations are underway for commercial sale of 2,000 tons per month beginning with the expiration of current contracts in November. To date, Peru has sold 9,000 tons of poultry to the USSR, and two further shipments of 2,000 tons each are scheduled through the end of November, 1985. The United States ships no poultry to the USSR, but it does sell corn to Peru's poultry industry.

The USSR, once the world's largest market for frozen poultry, has halved its import requirements thanks to increased self-sufficiency. The bulk of its poultry imports come from Hungary and other East European countries which, like Peru under current terms, trade on a clearing account basis.

Peru is heavily in debt to the Soviet Union, in great part for military equipment, but it is also undergoing a shortage of foreign exchange. Peru's new president recently complained that his country is using foreign exchange for imports of U.S. corn to produce chicken for repayment of debts to the Soviets, for which it receives no hard currency. Given these circumstances, whether the Peruvians will be successful in moving the sales to a commercial basis remains to be seen.

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EDWIN N. MOFFETT Editor, Tel. (202) 382-9443. Additional copies may be obtained from FAS Media and Public Affairs Branch, 5922-S, Washington, D.C. 20250. Tel. (202) 447-7937.

Poultry meat production in PERU is forecast at 180,000 tons in 1985, 17 percent above 1984 but slightly below the 1983 level, according to the U.S. agricultural attache in Lima. Output in 1984 was adversely affected by reduced consumer purchasing power and increased supplies of fish which are a substitute for poultry meat. Production is expected to recover in 1985 based on a small increase in domestic demand for poultry meat and some exports to the Soviet Union.

Milk production in the NETHERLANDS is forecast at 12.3 million tons in 1985, nearly 4 percent below 1984, according to the U.S. agricultural counselor in The Hague. Milk cow numbers are expected to decrease by about 4.5 percent as farmers are culling their herds in order to comply with the EC dairy quota. Per cow productivity is expected to be up 1 percent largely because of the increased use of concentrate feeds.

Butter production is forecast at 220,000 tons in 1985, nearly 10 percent below 1984 because of reduced milk supplies and greater use of milk for cheese production. Output of nonfat dry milk is expected to decline 9 percent, roughly the same as for butter. Cheese output is expected to increase only 2 percent in 1985 as export demand has weakened.

COTTON AND FIBERS

Foreign cotton prices have declined 8 cents per pound during the past six weeks while U.S. prices have been virtually unchanged. The spread between U.S. and foreign prices is now about 19 cents. U.S. export sales have slowed to a trickle as foreign countries compete to move surplus cotton and earn foreign exchange.

FRUITS AND NUTS

World walnut production is forecast at a record 462,500 tons, 5 percent above the 1984 volume and 3 percent greater than the previous record of 448,500 tons set in 1982. Production increases are projected for all countries except Turkey, where persistently dry weather has kept output in the 70-73,000-ton range since 1979--well below Turkey's peak production of 105,000 tons in 1977.

Current reports indicate production in France, Italy and the United States will experience a recovery following reduced crops in 1983 and 1984. However, if the 1985 estimates for China and India are realized, both countries will have produced record crops in each of the last three years, with further gains expected through 1990, as bearing area expands and management techniques improve.

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Current walnut production in selected countries is as follows, in 1,000 tons (in-shell basis):

	1983	1984	1985 1/
China	119.5	128.0	134.5
France	18.0	14.2	27.0
India	19.8	21.2	22.0
Italy	12.0	12.0	14.0
Turkey	73.0	72.0	70.0
United States	180.5	193.2	195.0
Total	422.8	440.6	462.5

1/ Preliminary

Pistachio production in selected countries is expected to total 52,100 tons (inshell basis) during the 1985 season, 3 percent below the 1984 volume. The substantial production shortfall (60 percent) forecast for the United States is considered normal given that 1985 is an "off-year" in the bearing cycle. In contrast, only a moderate 7-percent reduction is forecast for the weather damaged off-year crop in Syria; reductions there have been offset by a 15-percent increase in the number of trees reaching the bearing stage in time for the 1985 harvest.

Ideal weather conditions are expected to yield record, on-year crops of excellent quality in both Greece and Turkey. However, Italy's on-year harvest sustained early season rain damage and is currently estimated at only 3,000 tons, the lowest on-year crop since 1979.

Commercial pistachio production in selected countries is as follows in 1,000 metric tons (in-shell basis):

	1983	1984	1985 1/
Greece	2.6	2.1	2.8
Italy	4.0	0.2	3.0
Syria	9.2	10.8	10.0
Turkey	18.0	12.0	25.0
United States	12.0	28.6	11.3
Total	45.8	53.7	52.1

1/ Preliminary

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WOOD AND WOOD PRODUCTS

U.S. exports of solid wood products during the first eight months of 1985 totaled \$1,785 million, down 3 percent from the same period in 1984. Export sales in 1985 continue to be hampered by the relative strength of the dollar compared to the previous two years. For the January-August period, the export volume of most major wood product categories also declined, with the notable exception of softwood logs.

Softwood products accounted for about 73 percent of the total value of wood exports. The value of U.S. softwood exports was up 0.2 percent from the same period in 1984, while hardwood exports were down 16 percent.

Japan remained the largest single market for U.S. wood product exports, accounting for \$703.1 million, or 39 percent of sales. This was almost exactly the same level as a year ago. U.S. wood product exports to Canada, previously the second leading foreign market, declined 12 percent to \$230 million. Wood shipments to China increased to \$242.4 million, 39 percent higher than during the same period in 1984, making China the second leading U.S. export market at this time.

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Selected International Prices

Item		Oct. 23, 1985	Change from previous week	A year ago
ROTTERDAM PRICES 1/		\$ per MT	\$ per bu.	\$ per MT
Wheat:				
Canadian No. 1 CWRS-13.5% 9/	191.00	5.20	+11.50	189.50
U.S. No. 2 DNS/NS: 14%....	175.00	4.76	+9.00	173.00
U.S. No. 2 S.R.W.	143.00	3.89	+5.00	162.75
U.S. No. 3 H.A.D..... 9/	174.00	4.74	+7.50	190.00
Canadian No. 1 A: Durum... N.Q.		--	--	207.00
Feed grains:				
U.S. No. 3 Yellow Corn....	111.50	2.83	+1.00	133.00
Soybeans and meal:				
U.S. No. 2 Yellow.....	206.00	5.61	+1.25	251.00
Brazil 47/48% SoyaPellets	189.00	--	+2.00	189.00
U.S. 44% Soybean Meal....	174.00	--	+1.00	174.00
U.S. FARM PRICES 3/				
Wheat.....	112.06	3.05	+1.84	126.39
Barley.....	64.76	1.41	+.46	85.43
Corn.....	84.65	2.15	-3.94	106.69
Sorghum.....	82.23	3.73 2/	-.88	92.59
Broilers.....	1054.68	--	+1.32	1042.11
EC IMPORT LEVIES				
Wheat 5/.....	101.35	2.76	+2.15	43.40
Barley.....	100.40	2.19	+.95	45.80
Corn.....	91.85	2.50	+3.80	41.30
Sorghum.....	102.70	2.61	+2.65	58.85
Broilers 4/ 6/ 8/.....	190.00	--	+3.00	157.00.
N.Q.				
EC INTERVENTION PRICES 7/				
Common wheat(feed quality)	157.30	4.28	+1.85	137.65
Bread wheat (min. quality)	167.85	4.57	+1.95	146.90
Barley and all				
other feed grains.....	157.30	--	+1.85	137.65
Broilers 4/ 6/.....	1230.00	--	-0-	1063.00
EC EXPORT RESTITUTIONS (subsidies)				
Wheat	59.55	1.62	+1.25	N.A.
Barley.....	68.35	1.49	+1.75	19.90
Broilers 4/ 6/ 8/.....	109.00	--	+1.00	93.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Spot shipment. N.A.=None authorized. N.Q.=Not quoted. Note: Basis November delivery.

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